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CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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COUNTRY	East Germany	REPORT	
SUBJECT	Wismut A.G. Orders for Chemicals from VEB Elektrochemisches Kombinat Bitterfeld	DATE DISTR.	28 July 1954
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THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.
THE APPRAISAL OF CONTENT IS TENTATIVE.
(FOR KEY SEE REVERSE)

1. The following is a short history of the incidents leading up to the recent orders placed by Wismut AG with Elektrochemisches Kombinat Bitterfeld for potassium permanganate and potassium chlorate.¹ 50X1-HUM

- a. In February 1954, [redacted] 50X1-HUM
[redacted] Wismut Headquarters in Karl-Marx-Stadt/Siegmarsburg inquired about the production capacity of Bitterfeld for these two chemicals. [redacted] Wismut wished to purchase supplies of both. [redacted] received the reply that it would not be possible to fulfil any orders for Wismut because the entire production for 1954 had been already allocated. 50X1-HUM

[redacted] 50X1-HUM

- c. In April 1954, however, Dr. Werner Winkler, the Deputy Minister for Chemicals in the East German Ministry for Heavy Industry, issued instructions to Bitterfeld to examine carefully the supply position in regard to these two chemicals because he was being pressed by Minister Fritz Selbmann for an explanation which would satisfy the Soviet High Commission. 50X1-HUM

- d. [redacted] By the end of April 1954, the decision had been made to reduce exports for 1954 in order to meet, at least in part, the Wismut requirement and to put into effect plans for increasing production capacity.

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- e. The Bitterfeld representative raised the point with Batushev that if the combine were to fulfil Wismut AG requirements in the future for potassium permanganate and potassium chlorate, construction of a new plant would be necessary. Batushev then offered to place a firm contract for 10 years.
2. Wismut AG has accepted the fact that it may not be possible for Bitterfeld to supply the total requirement of 4,000 tons of potassium permanganate and 6,000 tons of potassium chlorate for 1954.
3. Batushev², prior to joining Wismut AG in the summer of 1952, was at the Elektrochemisches Kombinat Bitterfeld for a period of some 15 - 18 months as sales manager when the combine was a SAG.

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Comments:

1. [redacted] the Elektrochemisches Kombinat Bitterfeld is the only East German firm which produces potassium permanganate and potassium chlorate.
2. It is believed that Batushev is identical with a Russian of that name previously reported to be chief of the Fourth Administration of Wismut AG.

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